

810-3-27-.09 Alabama Requirements for **Mandatory** E-File of Original Individual Income Tax Returns.

(1) (a) If an income tax return preparer prepares 250 or more acceptable individual income tax returns using tax preparation software in calendar year 2004, and 100 or more acceptable individual income tax returns using tax preparation software in calendar year 2005, then for the calendar year 2005 all acceptable individual income tax returns prepared by that income tax preparer shall be filed using electronic technology, as defined in Sections 40-2A-7(a)(5) and 40-30-6, Code of Alabama 1975.

(b) If an income tax return preparer prepares 50 or more acceptable individual income tax returns using tax preparation software in calendar year 2006, then for that calendar year and for each subsequent calendar year thereafter, all acceptable individual income tax returns prepared by that income tax preparer shall be filed using electronic technology, as defined in Sections 40-2A-7(a)(5) and 40-30-6, Code of Alabama 1975.

(2) For purposes of this rule, the following definitions apply:

(a) "Income tax preparer" means a person that meets both the following:

1. Any person that prepares an Alabama Individual Income Tax Return in exchange for compensation.

2. Or any person who employs another person to prepare, in exchange for compensation, any current year Alabama Individual Income Tax Return.

(b) "Original individual income tax return" means any return that is required, to be made with respect to the tax imposed as defined by Section 40-18-2, Code of Alabama 1975. For purposes of subdivision (a), a "timely" original individual tax return means any original individual tax return that is filed, without regard to extensions, during the calendar year for which that tax return is required to be filed.

(c) "Acceptable individual income tax return" means any original individual tax return that is authorized by the Department to be filed using electronic technology as defined in Section 40-30-6, Code of Alabama 1975.

(d) "Tax preparation software" means any computer software program intended for accounting, tax return preparation, or tax compliance.

(3) Paragraph (1)(a) shall cease to apply to an income tax preparer if,

during the 2004 calendar year, the income tax preparer prepared no more than 75 original individual income tax returns and during the 2005 calendar year and all subsequent years, the income tax preparer prepared no more than 50 original individual income tax returns.

(a) Paragraph (1)(a) of this rule, applies to acceptable individual income tax returns required to be filed for taxable years beginning on and after January 1, 2004.

(b) Paragraph (1)(a) of this rule, may not be interpreted to require electronic filing of acceptable individual income tax returns that are required to be filed on or before January 1, 2004.

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